SECTOR REPORT
THE CONTEMPORARY ART MARKET IN BRAZIL

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The Brazilian Association of Contemporary Art (ABACT), in partnership with the Brazilian Agency for Promoting Exports and Investments (Apex-Brasil), is pleased to publish the 6th edition of the Sector Report on the primary contemporary art market in Brazil, developed as part of the sectoral project Latitude – a platform for Brazilian art galleries abroad.

The aim of the research is to provide ABACT, its associated galleries and Apex-Brasil with useful information for planning and carrying out their respective actions toward promoting and internationalizing the visual-arts sector. At the same time, it serves as an indispensable source of data on the Brazilian contemporary-art market, focused on the performance of the associated galleries that operate in Brazil’s primary market and those that participate in the Latitude Project.

The thematic lines of the first five editions have been maintained, which enables a historical analysis of the data and evolution of the sector over the last seven years.

The last research, undertaken in 2016, collected data on aspects of the internal atmosphere of the galleries, for the purpose of understanding their business and managerial practices. This proposal led the galleries to reflect and enhance their procedures and the best practices for the sector.

In this 6th edition we have endeavored to carry out and present a study involving not only collecting data but also a technical and
strategic analysis of the sector so as to orientate actions focused on internationalizing the Brazilian galleries. Furthermore, the Sector Report will prove to be an essential tool to guide the continuity of the activities of the sector on the global level by directing the set of export-fostering actions to be proposed in the short, medium and long run.

The Getulio Vargas Foundation technical assistance unit, FGV Projetos has organized this 6th edition as part of an in-depth market study to culminate in strategic planning for the sector, a project that FGV Projetos has been engaged in since May of 2018 in collaboration with the ABACT, its associated galleries and Apex-Brasil.

We wish to extend our thanks to the associated galleries for their availability in providing the information that serve as the basis of this report. We hope that the Sector Report will contribute to strengthen dialogue among contemporary-art galleries that represent Brazil both here and abroad, an indispensable dialogue for the growth of the sector.

LUCIANA BRITO
ABACT’s President

ISABEL FONTOURA
Manager for Services Sector and Creative Economy Projects - Apex Brasil

RITA WIRTTI
ABACT’s Executive Manager
INTRODUCTION

According to the Brazilian Institute of Economics of the Getulio Vargas Foundation (FGV/IBRE), 2017 was the year that marked the end of one of the worst recessions in the economic history of the country, following many comings and goings recorded in indices of trust and actual activity. The good news is that this recovery is now consolidated, and unlike what happened at the start of that same year, another slide into recession is no longer feared. The financial and economic indicators have once again moved in the direction of a relative calm, and during the second half of the year, the pillars of recovery gradually grew stronger.

The IBRE also affirms that “even though the external situation is more unstable this year, this will still become favorable for the emerging countries and in particular for Brazil.” This statement in respect to the Brazilian economy reflects very positively on galleries devoted to the Brazilian contemporary-art market. As shall be shown further ahead, a significant portion of the market posted positive results in 2017, with 49% of the galleries presenting better sales, at the same time as 36% of galleries sold less than in the full course of the year 2016. This edition of the Latitude Sectoral Research Project – platform for Brazilian art galleries abroad (Pesquisa Setorial Latitude) has kept the same series of questions of previous editions, but relying on other studies carried out to complement and broaden the range of the Sector Report. The ABACT (Brazilian Association of Contemporary Art) counted on the expertise of the Getulio Vargas Foundation to make an extensive study of Brazilian and international data on the contemporary art market, benchmarking with galleries in 6 different countries a qualitative survey with 20 opinion-formers that included collectors, gallerists,

curators and directors of international fairs. These activities were concluded with strategic-planning workshops for the Contemporary Art Sector.

This publication presents the context of contemporary art in Brazil in 2017 based on the data gathered from the galleries associated with the ABACT. Although some data from the original study are used, the specific focus of the online research was complemented by information obtained from the other research sources that are quoted. It should be pointed out that the strategic-planning workshops were still in progress when this document was terminated.

The research followed the same thematic lines as the earlier editions so as to ensure the possibility of putting together a historical analysis, with some questions reformulated in order to enable some items requested by the ABACT to be included. Accordingly, the research was divided into the following chapters:

- Managing a gallery
- The market and market practices
- Relationship with artists
- Internationalization

The research will be complemented by data generated by the other studies prepared by the FGV in the sphere of this initiative, and whenever possible, the data presented will be compared with the 2016 edition of the Latitude Sector Report. The main conclusions are presented at the end of this report.
CHAPTER 01 | THE UNIVERSE OF THE GALLERIES SURVEYED
This 6th edition of the research enjoyed the participation of 49 galleries belonging to the primary market (associated to the ABACT), in accordance with the following list. These galleries are located in 8 of Brazil’s states, with more than three quarters of the participants in this study (82%) located in the states of Rio de Janeiro and São Paulo. Of these 49 galleries, 45 took part in the research by answering the questionnaire in full, and 4 declined. The research was carried out between July 31 and September 4 of 2018. Note that the index of answers in this edition was far higher than in the study made in 2016, when 29 galleries took part in the survey. This index is fundamentally the result of the participation of the ABACT and the weekly monitoring carried out by the FGV.

The quantitative methodology was used, with information collected on the web, also known as the survey method used in studies on perception and opinion. This methodology allows regularities to be ascertained, as well as identifying the frequency and intensity of opinions. The questionnaire used was sent to participants by means of a link to respondents. The methodology made use of the questions belonging to previous editions of the Sector Report, thereby allowing the inclusion of questions in common with past studies and gathering information of an evolutive nature by creating time series.

The results presented in the questions that refer to tests as concerns agreement with affirmatives – have to do with the difference between the group of the alternatives “I fully agree” and “I agree in part” of the group of the alternatives “I disagree in part” and “I fully disagree”.

The total percentages of the graphs do not reach 100%, due to the rounding-off of numbers or multiple alternative answers.
**GRAPH 1.1**

**GALLERIES LOCATION - % (*)**

- **SÃO PAULO**: 60%
- **RIO DE JANEIRO**: 24%
- **CURITIBA**: 7%
- **BELO HORIZONTE**: 2%
- **BRASÍLIA**: 2%
- **FORTALEZA**: 2%
- **PORTO ALEGRE**: 2%
- **RIBEIRÃO PRETO**: 2%
- **SALVADOR**: 2%
- **VITÓRIA**: 2%

Source: Sector Report 2018, FGV

(*) The total is greater than 100% because two of the galleries mentioned more than one city.
THE LIST OF GALLERIES PARTICIPATING IN THE RESEARCH IS GIVEN BELOW

- 55SP
- A GENTIL CARIOCA
- ANITA SCHWARTZ GALERIA DE ARTE
- BARÓ GALERIA
- BOILER GALERIA
- CARBONO GALERIA
- CASA TRIÂNGULO
- CELMA ALBUQUERQUE GALERIA DE ARTE
- CENTRAL GALERIA
- EMMATHOMAS GALERIA
- FORTES D’ALOIA & GABRIEL
- GALERIA ATHENA
- GALERIA BERENICE ARVANI
- GALERIA BOLSA DE ARTE
- GALERIA CASSIA BOMENY
- GALERIA CAVALO
- GALERIA DA GÁVEA
- GALERIA DE ARTE MAMUTE
- GALERIA EDUARDO FERNANDES
- GALERIA ESTAÇÃO
- GALERIA HOUSSEIN JAROUCHE
- GALERIA JAQUELINE MARTINS
- GALERIA KARLA OSORIO
- GALERIA LEME
- GALERIA LUISA STRINA
- GALERIA LUME
- GALERIA MARCELO GUARNIERI
- GALERIA MARILIA RAZUK
- GALERIA NARA ROESLER
- GALERIA RAQUEL ARNAUD
- GALERIA YBAKATU
- JANAINA TORRES GALERIA
- LUCIANA BRITO GALERIA
- LUCIANA CARAVELLO ARTE CONTEMPORÂNEA
- MENDES WOOD DM
- MERCEDES VIEGAS ARTE CONTEMPORÂNEA
- PINAKOTHEKE
- PORTAS VILASECA GALERIA
- ROBERTO ALBAN GALERIA
- SÉ GALERIA
- SILVIA CINTRA + BOX 4
- SIM GALERIA
- VERMELHO
- VIA THOREY GALERIA
- ZIPPER GALERIA
Some of these galleries have offices in more than one city, while others have offices abroad; those with other offices in Brazil are:

- **PINAKOTHEKE**  
  (SÃO PAULO, RIO DE JANEIRO AND FORTALEZA)

- **GALERIA NARA ROESLER**  
  (SÃO PAULO AND RIO DE JANEIRO)

- **FORTES D’ALOIA & GABRIEL**  
  (SÃO PAULO AND RIO DE JANEIRO)

- **SIM GALERIA**  
  (CURITIBA AND SÃO PAULO)

- **BOLSA DE ARTE**  
  (PORTO ALEGRE AND SÃO PAULO)

The galleries with international offices are:

- **GALERIA NARA ROESLER**  
  (SÃO PAULO, RIO DE JANEIRO AND NEW YORK)

- **FORTES D’ALOIA & GABRIEL**  
  (SÃO PAULO, RIO DE JANEIRO AND LISBON)

- **MENDES WOOD DM**  
  (SÃO PAULO, BRUSSELS AND NEW YORK)

Four of the galleries associated to the ABACT failed to answer the questionnaire. The data given by the galleries with other offices refer to their head offices and respective other installations.

With regard to the age of the galleries, most of them are seen to be solidly active in the art market, while almost half of the galleries (44%) have been functioning for over a decade.
GRAPH 1.2
THE NUMBER OF YEARS THAT THE GALLERIES HAVE FUNCTIONED

Source: Sector Report 2018, FGV
The universe of galleries represents only 5.6% of those that exist in the country, according to a survey of data carried out by the FGV. By separating the states where the associated galleries are located, we can present chart 1.2 below, with a total of 627 galleries. Note that the percentage of associated galleries against the number of galleries in each state varies a lot. Emphasis should be given to the fact that the CNAE categorization classifies the galleries under Art Objects Retail Business (Comércio Varejista de Objetos de Arte: code 4789-0/03) and includes not only galleries that negotiate art of any period or type, but also antique dealers.

### CHART 1.2
**GALLERIES IN SELECT STATES**

<table>
<thead>
<tr>
<th>UF</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAHIA</td>
<td>36</td>
</tr>
<tr>
<td>MINAS GERAIS</td>
<td>87</td>
</tr>
<tr>
<td>ESPÍRITO SANTO</td>
<td>21</td>
</tr>
<tr>
<td>RIO DE JANEIRO</td>
<td>95</td>
</tr>
<tr>
<td>SÃO PAULO</td>
<td>288</td>
</tr>
<tr>
<td>PARANÁ</td>
<td>52</td>
</tr>
<tr>
<td>RIO GRANDE DO SUL</td>
<td>35</td>
</tr>
<tr>
<td>DISTRITO FEDERAL</td>
<td>13</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>627</strong></td>
</tr>
</tbody>
</table>

Source: CNAE, 2016

At this point it is appropriate to show the chart prepared by the FGV with data on the markets of São Paulo, Rio de Janeiro, Minas Gerais, Rio Grande do Sul and Pernambuco, which compares the GNP (in other words their economic production), the wealthier bracket of the population and the number of art galleries and museums in each of the states. São Paulo stands out in all the items analyzed. The data on the museums made available by the IBRAM on the Museus.Br site does not present the reality of the art museums. For this reason the FGV conducted its own survey in order to present the data below.
**Graph 1.3**
Comparison between the number of galleries in general, those associated with ABACT, art museums, state GNP and people with income higher than R$ 21,000

<table>
<thead>
<tr>
<th>State</th>
<th>Art Galleries</th>
<th>Contemporary Art Galleries</th>
<th>Art Museums</th>
<th>State GNP</th>
<th>People with Income Higher than R$ 21,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>São Paulo</td>
<td>288</td>
<td>43</td>
<td>26</td>
<td>R$ 1.900,0 BI</td>
<td>111,4 Thousands</td>
</tr>
<tr>
<td>Rio de Janeiro</td>
<td>95</td>
<td>22</td>
<td>11</td>
<td>R$ 659,1 BI</td>
<td>19,2 Thousands</td>
</tr>
<tr>
<td>Minas Gerais</td>
<td>87</td>
<td>7</td>
<td>1</td>
<td>R$ 519,3 BI</td>
<td>14,4 Thousands</td>
</tr>
<tr>
<td>Rio Grande do Sul</td>
<td>35</td>
<td>4</td>
<td>1</td>
<td>R$ 381,8 BI</td>
<td>11,5 Thousands</td>
</tr>
<tr>
<td>Pernambuco</td>
<td>20</td>
<td>4</td>
<td>0</td>
<td>R$ 155,5 BI</td>
<td>6,2 Thousands</td>
</tr>
</tbody>
</table>

The main objectives of the research are those of the earlier editions:

- To provide the *Latitude Project* and the ABACT with detailed information on the sector in order to use such data to serve as the grounds for the planning and development of their activities.

- To encourage creating tools for business management and commercial promotion of *Latitude*, the ABACT and the galleries concerned, with a view to improving and expanding the business of the sector.

- To serve as a source of objective, organized and reliable data on the sector for actors in the art circuit, public agents, partners, specialized media and any other interested parties.
MANAGING THE GALLERIES
The galleries were questioned on the existence of clear policies as regards management linked to communications, contracting and training employees; several multiple answers can be mentioned. As part of the management policies adopted by galleries, the “communications policy” is the one most reported by over half of them (64%). On the other hand, professional qualification seems to be the least valorized aspect among the tested management policies. Just over a third of the galleries (36%) refer to the “Policy of contracting employees”. It is worth pointing out that nearly a third of the galleries (31%) adopt none of the three policies tested.

**GRAPH 3.1**

**MANAGEMENT POLICIES**

![Graph showing management policies](image)

*Source: Sector Report 2018, FGV*
3.1 PERSONNEL CHART

The average number of collaborators per galleries is 8.91; just over half of these (51%) declare having less than 8 permanent collaborators, while 89% of the galleries have at most up to 15 collaborators, and only 10% employ 16 collaborators or more.

When the data presented in the table below are analyzed, they show that 69% of the galleries (558 in the whole country) employ up to 4 staff members and 13.8% have up to 9. This enables us to infer that the contemporary-art galleries associated to the ABACT tend to hire more collaborators.

CHART 3.1.1
EMPLOYEES X NUMBER OF GALLERIES IN 2016

<table>
<thead>
<tr>
<th>SIZE OF THE ESTABLISHMENT (NUMBER OF EMPLOYEES)</th>
<th>NUMBER OF ESTABLISHMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>106</td>
</tr>
<tr>
<td>1 TO 4</td>
<td>558</td>
</tr>
<tr>
<td>5 TO 9</td>
<td>111</td>
</tr>
<tr>
<td>10 TO 19</td>
<td>26</td>
</tr>
<tr>
<td>20 TO 49</td>
<td>4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>805</td>
</tr>
</tbody>
</table>

Between 2016 and 2017, more than half of the galleries (53%) kept the same number of collaborators, while 86% kept or increased the number of collaborators, and only 13% reduced the number of their employees; these statistics are proof of an excellent degree of stability.

Fonte: Sector Report 2018, FGV
With regard to the remuneration of their staff, in 2017 the lowest salary of permanent collaborators in 51% of the galleries stood in the 1-2 minimum-salary bracket. On the other hand, the lowest salary paid by close to half the galleries (49%) is more than 2 minimum salaries.

In respect to the higher salary bracket, the remuneration exceeded 5 minimum salaries in more than half of the galleries (54%).

**Source:** Sector Report 2018, FGV
3.2 MAIN EXPENSES OF GALLERIES

Computing all the expenses in 2017, the item that most impacts the cost of the galleries is “participation in fairs” (considering all expenses involving logistics, airline tickets, personnel and so on), which amounted to 20% of the costs. Even though this item by itself accounts for the highest percentage of costs, note that 45% of the expenses goes to the payroll (18%), taxes (14%) and infrastructure (13%), discounting the cost of participation in fairs.

**GRAPH 3.2.1
AVERAGE PERCENTAGE OF SPECIFIC COSTS IN TOTAL EXPENSES OF THE GALLERY - %**

- **PARTICIPATION IN FAIRS**: 20%
- **PAYROLL**: 18%
- **TAXES**: 14%
- **INFRASTRUCTURE AND LOGISTICS**: 13%
- **HOLDING EXHIBITS**: 13%
- **PRODUCTION OF WORKS**: 11%
- **OTHERS**: 9%
- **TRAVEL EXPENSES**: 4%

Source: Sector Report 2018, FGV

* including all expenses involved, such as logistics, airline tickets, personnel, etc.
** excluding fairs
3.3 MAIN OBSTACLES

The “high costs of attending fairs” stands out as the main obstacle faced by the business: 76% of the galleries mentioned this particular item. Most noticeable is the fact that aspects that are extrinsic to the business, matters to do with the public authorities, correspond to the second, third and fourth obstacle that received most mention: “the economic instability of the country” (62%), “the tax load” (49%) and “bureaucracy” (24%).

GRAPH 3.3.1
MAIN OBSTACLES IN MANAGING GALLERIES

Source: Sector Report 2018, FGV
Pointed out as the main drawback for the vast majority of the galleries, participating in fairs should be compared with the data shown in the UBS/Art Basel study for the year 2017, which showed that 46% of sales are made during fairs, which is practically the same as sales in the main offices of the (48%). Bearing in mind that Graph 3.2.1 shows that the galleries declare spending 20% on fairs and 13% on assembling exhibits, meaning that there is still room for the Brazilian galleries to invest in going to fairs as a way to increase sales, according to a study made by the UBS and presented in the survey of data offered in the graph below.

**GRAPH 3.3.2**
**GLOBAL SALES CHANNELS**

![Graph](image)


Various affirmations were made that impact the managing of galleries; gallery owners were asked to say whether they agreed, agreed partially, neither agreed nor disagreed, disagreed partially
or disagreed fully. From this result was calculated the balance given by the difference between the positive grade (full and partial agreement) and the negative grade (full and partial disagreement). The affirmations with the highest balance are those that pay more importance to communications and marketing, on various levels and with various objectives. The balance is also positive when the question concerns the use of marketing tools, whether to promote the gallery, the sales or the artists (66, 60 and 59 respectively).

On the other hand, the corresponding affirmation with the lowest balance disregards the importance of marketing and communications to the activity of gallerists: “Marketing and communications are not fundamental to my work as a gallery owner” (-74).

Worth pointing out are the balances of 58 and 52 with regard to the affirmations on the importance of the gallery’s holdings and how the artist perceives the work performed by the gallery, respectively. Statements concerning the degree of knowledge of visitors to the gallery, as well as the knowledge of the market, posted lower balances, respectively (42 and 30).

Some declarations with a negative balance were the following:

- “I know nothing about economics, and this jeopardizes how I plan my management and activities”: a balance of -32, showing that the gallerists are aware of the importance of knowing economics in their area of business;
- “I don’t have time to lose on planning, I’ve got to get the gallery working”: a balance of -44, recognizing the importance of planning;
- “In the communications activity of the gallery, it’s the artist that is important, not the name of the gallery”: a balance of -47, showing awareness that institutional communications on the part of the gallery is also very important.

Closer to a neutral opinion is the statement “the facility of working with the artists represented by the gallery”: a balance of only 16 points. Competition with other galleries scores an even lower grade: 5 points. The graph below presents the score given by the galleries with regard to agreeing or not with the various questions presented.
Graph 3.3.3

Management, Communications and Knowledge of the Market

Marketing and communications are not fundamental for my work as a gallerist.

I know nothing about communications, which is a disadvantage for new clients and markets.

As regards communications, what matters to the gallery is the artist, not the brand-name.

I have no time to lose on planning, I need to make the gallery happen.

I know nothing about economics, which affects my activities with management and market.

The competition between galleries is so strong that it hampers business.

It's very easy to work with the artists I represent.

I am fully aware of how the market sees my gallery.

I use marketing and communication techniques to promote artists.

I use marketing and communication techniques to promote sales.

I use marketing and communication techniques to promote the gallery brand.

The collection of a gallery is what matters most.

Artists understand the value of my work as a gallery owner.

The artists most sought after are those works are recommended through media.

Media artists are necessary for the art market.

I am very familiar with the public that frequents my gallery.

Source: Sector Report 2018, FGV
THE MARKET AND MARKET PRACTICES
From the economic point of view, the year of 2017 surpassed the previous period of recession. Following are presented the sales, gross revenue, types of works, production of exhibits and participation in art fairs.

4.1 SALES

There was a growth in the volume of sales of 49% of the galleries, whereas for 16% the same amount of sales was repeated, as shown below:

**GRAPH 4.1.1**
PERCENTAGE VOLUME OF GALLERY SALES COMPARED WITH 2017

Source: Sector Report 2018, FGV
Regarding gross revenue, it is possible to affirm that there is a high degree of maturity of the Brazilian contemporary art market, with 95% of galleries concentrated in three income brackets:

- 30% of the galleries with gross income within the bracket of up to R$ 1 million.
- 27% of the galleries with gross income within the bracket of over R$ 1-3.6 million.
- 38% of the galleries with gross income within the bracket of over R$ 5-20 million.
- Only 2 galleries registered gross revenue above R$ 20 million, and only 1 gallery sold less than R$ 100 thousand, as shown below:

**GRAPH 4.1.2**
PERCENTAGE OF GALLERIES BY GROSS-INCOME BRACKET

![Graph showing percentage of galleries by gross-income bracket]
4.2 EXHIBITS AND COMMERCIALIZED WORKS OF ART

Galleries commercialized more than 6,000 works of art in 2017. Each gallery sold an average of 49 paintings (which is still the most sold support category), followed by 32 sculptures, 23 photographs, 10 drawings, 4 installations and 2 videos. An average of 15 works in other categories was sold in 2017.

GRAPH 4.2.1
AVERAGE NUMBER OF WORKS SOLD IN 2017

The galleries organized an average of 5.76 solo exhibits: 40% of them held 5-7 solo exhibits, and 29% were responsible for 3-4 exhibits.

Source: Sector Report 2018, FGV
As for the number of groups exhibits shown in 2017, these accounted for an average of 1.82 per gallery, with 40% of the galleries holding a group exhibit and 31% two exhibits.
Comparing the data referencing the production of individual and group exhibits in the galleries affiliated to the ABACT against the data gathered in the research on international benchmarking conducted by the FGV in the scope of this project, 80% of the 10 galleries that answered the questionnaire held on average 5 solo and 1 collective exhibit throughout the year. This shows that the Brazilian galleries are within the average international bracket, although they sell more in their establishments than in art fairs.

Source: Sector Report 2018, FGV
4.3 PARTICIPATION IN NATIONAL AND INTERNATIONAL ART FAIRS

In 2017 the galleries took part in an average of 2.24 national fairs: 62% attended 1-2 fairs; 28% attended 3-5 fairs; and 4% attended no national fairs.

GRAPH 4.3.1
PERCENTAGE PARTICIPATION IN NATIONAL ART FAIRS IN 2017 - %

Source: Sector Report 2018, FGV
As regards international fairs, the galleries participated in an average of 2.47; 33% attended 1-3 fairs; 20% attended 4-5; 4% went to 6-7; and 38% attended no international fairs.

**Source:** Sector Report 2018, FGV
The actual premises of the gallery is the main platform for conducting business: 55% of the total and 37% in national and international fairs, thus raising the 53% percentage of sales posted in the 5th edition of the *Latitude* survey made in 2016. This parameter can be seen as an inversion of the tendency of sales observed in the 5th edition, which showed the data referring to 2012: 59% of sales in galleries, 58% in 2013, and 56% in 2014.

Of those galleries that participated in international fairs, the SP-Arte was the fair most mentioned, followed by the Art Basel Miami and the Art Rio, in the sequence below, showing the percentage importance given by the gallerists:
**GRAPH 4.3.4**

**MOST IMPORTANT INTERNATIONAL FAIRS**

- SP-ARTE: 25.5
- NO ANSWER: 22.1
- ART BASEL MIAMI: 10.6
- ARTRIO: 9.4
- ART BASEL: 3.5
- ARCO: 3.5
- FRIEZE LONDON: 3.5
- FRIEZE NY: 3.5
- ARTBO: 2.4
- ART BASEL HONG KONG: 2.4
- SP-ARTE/FOTO: 2.4
- UNTITLED MIAMI: 2.4
- ARCO LISboa: 1.2
- ART LIMA: 1.2
- ARTBA: 1.2
- EXPO CHICAGO: 1.2
- ODEON: 1.2
- PARC: 1.2
- PINTA MIAMI: 1.2
- VOLTA BASEL: 1.2
- VOLTA NEW YORK: 1.2

*Source: Sector Report 2018*
4.4 PRICE OF WORKS OF ART

In the case of 73% of the galleries in the survey, the price of works, albeit only for some of them, was readjusted against the prices praticed in 2016.

**GRAPH 4.4.1**

**COMPARISON WITH 2016 PRICES**

The average lowest price per work paid in 2017 was R$ 3,359.56, taking into account that the smallest amount quoted was R$ 250,00 and the largest totaling R$ 60,300.00. The 5th edition of the Sector Report presented an average of R$ 1,587.41 in 2016. In comparison with 2017, this average figure of 47% of the price per work means that the average value almost doubled in 2 years.

**Source:** Sector Report 2018
4.5 SALES PER TYPE OF MARKET

Sales are primordially made in the national market (81%), with only 19% of the total volume of sales referring to the international market. The sales made in the latter refer to fairs and commercial events and are considered by more than half of the galleries (62%) to be the most important factor when the gallery chooses to attend the markets abroad. They mention “the knowledge and previous experience of the gallery owner” (53%), “the size of the market” (44%), and “the cost involved in participating (42%). Geographic proximity is of no relevance, being mentioned by only 2% of the galleries as a factor in their choice of international markets.

GRAPH 4.5.1
IMPORTANT FACTORS IN CHOOSING MARKETS (3 FACTORS FOR EACH GALLERY)

Source: Sector Report 2018
The three main destinations for sales to the international market in 2017, taking into account the volume of sales of those gallerists who are active internationally (3 countries per gallery) were:

**GRAPH 4.5.2**

**COUNTRIES OF SALES DESTINATION (3 COUNTRIES PER GALLERY)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNITED STATES</td>
<td>71</td>
</tr>
<tr>
<td>ENGLAND</td>
<td>18</td>
</tr>
<tr>
<td>SPAIN</td>
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<tr>
<td>COLOMBIA</td>
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<tr>
<td>FRANCE</td>
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<tr>
<td>PORTUGAL</td>
<td>9</td>
</tr>
<tr>
<td>BELGIUM</td>
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<tr>
<td>ARGENTINA</td>
<td>9</td>
</tr>
<tr>
<td>SWITZERLAND</td>
<td>7</td>
</tr>
<tr>
<td>UNITED KINGDOM</td>
<td>4</td>
</tr>
<tr>
<td>PERU</td>
<td>4</td>
</tr>
<tr>
<td>ITALY</td>
<td>4</td>
</tr>
<tr>
<td>BRAZIL</td>
<td>4</td>
</tr>
<tr>
<td>GERMANY</td>
<td>4</td>
</tr>
<tr>
<td>VENEZUELA</td>
<td>2</td>
</tr>
<tr>
<td>TURKEY</td>
<td>2</td>
</tr>
<tr>
<td>MEXICO</td>
<td>2</td>
</tr>
<tr>
<td>LEBANON</td>
<td>2</td>
</tr>
<tr>
<td>JAPAN</td>
<td>2</td>
</tr>
<tr>
<td>INDIA</td>
<td>2</td>
</tr>
<tr>
<td>EUROPE</td>
<td>2</td>
</tr>
<tr>
<td>CHINA</td>
<td>2</td>
</tr>
<tr>
<td>CHILE</td>
<td>2</td>
</tr>
<tr>
<td>AUSTRIA</td>
<td>2</td>
</tr>
<tr>
<td>LATIN AMERICA</td>
<td>2</td>
</tr>
<tr>
<td>NO ANSWER</td>
<td>22</td>
</tr>
</tbody>
</table>

Source: Sector Report, 2018
The research was also aimed at understanding the percentage sales in the galleries, national and international fairs, online sales and other channels. On average, 55% of sales took place in the gallery space, 25% at national fairs, 12% at international fairs, 6% by means of virtual channels, and 2% over the gallery's site.

The volume of online sales still remains low, contributing to only 8% of sales. The result of the answers is given in the graph below:

**Graph 4.5.3**

PERCENTAGE SALES BY LOCATION/MEANS

- 55% in the gallery
- 25% in national fairs
- 12% in international fairs
- 6% via virtual channels
- 2% via the gallery site

**Source:** Sector Report 2018

### 4.6 BALANCE OF THE PARTICIPATION OF GALLERIES IN FAIRS

The participation of galleries in fairs is one of the main themes in the world art market. According to the *Global Art Market 2018*, the number of art fairs tripled between 2000 and 2010, rising from 55

fairs to 230 in 2016 and 260 fairs in 2017. The report defines fair as any art event that brings together more than 20 participating galleries. The same report says that in 2017 these fairs accounted for 46% of the total sales of galleries and art dealers, up 5% from 2016.

These data reflect reality for European and American galleries, which on the global scale undeniably represent the majority. Nonetheless, for Brazilian gallerists, the costs of participating are considered extremely high. Almost all the galleries (96%) attended national fairs in 2017 and more than half of them (60%) were present at international fairs.

**GRAPH 4.6.1**

PERCENTAGE OF GALLERIES THAT PARTICIPATE IN FAIRS

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Fairs</td>
<td>96</td>
</tr>
<tr>
<td>International Fairs</td>
<td>60</td>
</tr>
<tr>
<td>No Participation</td>
<td>2</td>
</tr>
</tbody>
</table>

*Source: Sector Report 2018*

The balance of the participation of the galleries in national fairs was more positive than in international fairs: 63% posted profit, 16% loss, 12% neither profited nor lost, and there was 7% indirect return of sales. For those that took part in international fairs, the balance was as follows: 41% posted profit and 37% loss, while 15% neither profited nor lost. Indirect return of sales was not computed by any of the galleries surveyed, regarding, financial data.
Only 10 galleries suffered losses with their participation in international fairs. They all informed that the high cost of attending fairs abroad was higher than the profit made with the sales.
The average expenses per gallery that took part in fairs is divided as follows: price of the stand (58%); transportation and logistics (15%); travel expenses (airline tickets and accommodation) (10%); taxes (8%); personnel (7%); others (3%).
4.7 BALANCE OF SALES

The information provided by the galleries shows that sales were good in 2017, both in Brazil and overseas. Nearly one third of the galleries in Brazil declared an approximate sales total to the value of R$ 1 million to R$ 3.6 million. Another third sold less than R$ 1 million, and 37% above R$ 3.6 million.
Graph 5.6.1
Balance of Sales in Brazil - % by Price Ticket

Source: Sector Report 2018

With regard to sales outside of Brazil, in 2017, 22% of the galleries declared an approximate figure in the range of US$ 10-50 thousand: 11% sold less than US$ 10 thousand and 43% posted more than US$ 50 thousand. The galleries that made no sales abroad totaled 24%.
According to the Ministry of Industry, Foreign Trade and Services (MDIC), exports of works of art and antiques in 2017 were as follows:

**Total exported (A+B) = US$ 153,086,840**

divided into two segments:

A - Total exported by Latitude galleries (associated to the ABACK) = US$ 65,179,830

B - Total exported by other companies = US$ 87,917,016

(*) This figure refers to definitive and temporary exports.
### 4.8 PARTNERSHIPS BETWEEN GALLERIES

This study also included inquiring whether the gallery had engaged in new partnerships in 2017. Just under half of the galleries (42%) built partnerships with other galleries, and 58% signed no partnerships. These partner galleries are located mainly in: São Paulo (16%); New York (7%), London (6%) and Rio de Janeiro (5%).

**GRAPH 4.8.1**  
**CITIES WITH PARTNERS GALLERIES - 2017**

<table>
<thead>
<tr>
<th>City</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Answer</td>
<td>26</td>
</tr>
<tr>
<td>São Paulo</td>
<td>16</td>
</tr>
<tr>
<td>New York</td>
<td>7</td>
</tr>
<tr>
<td>London</td>
<td>6</td>
</tr>
<tr>
<td>Rio de Janeiro</td>
<td>5</td>
</tr>
<tr>
<td>Brussels</td>
<td>2</td>
</tr>
<tr>
<td>Paris</td>
<td>2</td>
</tr>
<tr>
<td>San Giminiano</td>
<td>2</td>
</tr>
<tr>
<td>Antwerp</td>
<td>1</td>
</tr>
<tr>
<td>Berlin</td>
<td>1</td>
</tr>
<tr>
<td>Curitiba</td>
<td>1</td>
</tr>
<tr>
<td>Havana</td>
<td>1</td>
</tr>
<tr>
<td>Lisbon</td>
<td>1</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>1</td>
</tr>
<tr>
<td>Beijing</td>
<td>1</td>
</tr>
<tr>
<td>Porto</td>
<td>1</td>
</tr>
<tr>
<td>Rome</td>
<td>1</td>
</tr>
<tr>
<td>Tokyo</td>
<td>1</td>
</tr>
</tbody>
</table>

*Fonte: Sector Report 2018*
4.9 PRIMARY AND SECONDARY MARKETS

Most of the galleries associated with the ABACT operate in both markets. Close to 51% operate in the secondary market. For 61% of these Galleries the Secondary Market represents less than 25% of gross revenues.

**GRAPH 4.9.1**

**REPRESENTATIVITY OF GROSS REVENUE IN THE SECONDARY MARKET %**

Source: Sector Report 2018
4.10 RELATIONSHIP WITH CLIENTS

The average number of gallery clients in 2017 was 163.93; only 14% attended more than 200 clients.

**GRAPH 4.10.1**

GALLERY CLIENTS

<table>
<thead>
<tr>
<th>Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>LESS THAN 200</td>
<td>87</td>
</tr>
<tr>
<td>FROM 200 TO 399</td>
<td>7</td>
</tr>
<tr>
<td>MORE THAN 400 CLIENTS</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: Sector Report 2018

Concerning sales per type of client, the graph below shows the average for each type of client. Brazilian collectors are by far the most prominent (64%); foreign corporate collectors (15%); foreign private collectors (14%); architects, decorators and advisors (12%); and other types of clients (9%).
The research entails a set of affirmations in respect to the market and market practices, and the gallerists were asked if they agreed or not with these statements. These answers were used to calculate the balance for each opinion, taking into account the positive answers (full and partial agreement) minus the negative ones (full and partial disagreement). As for those that denote any differentiation as regards selection and curatorship of artists, the balance is positive: 93. Good relations with clients by virtue of excellent attendance and qualified personnel rendered a balance of +91.

Of the affirmative answers evaluated in the “agreement test”, the only one that registered a negative balance was “The gallery is different because of the sales channel by online communication” (-9). This lack of investment in online channels is reflected in the sales (only 8% of the gallery sales occur online).

**Source:** Sector Report 2018
Despite the prevalence of a positive balance, the worst balances belong to the following declarations: “The focus of the gallery’s efforts is to attend to a small number of big buyers who already have a vast experience in the art market” (+7) and “The gallery seeks to attend to a wide public with no experience in the art market” (+13). On the other hand, the affirmation that “The focus of the gallery is to attend to new collectors with limited experience in the art market” presents a balance of +70. These data suggest that galleries are prioritizing efforts on reaching a “consumer public of novices” in the contemporary art market.

**GRAPH 4.10.3**

**MARKET PRACTICES**

- The gallery stands out for the selection and curatorship of its artists
- The gallery focuses on attending a large public with experience in the art market
- The gallery aims to attend to a large public without experience in the art market
- The gallery seeks a wide public by offering diverse art styles
- The gallery offers a wide range of complementary support to buyers
- The gallery presents a consolidated and prestigious image due to public relations investment and institutional communication
- The gallery seeks a position as a specialist in a particular segment of art
- The gallery is special in participation in fairs, events and partnerships
- The gallery stands out by its direct channel of sales in the shop
- The gallery endeavors to fill a position as a reference in the national market delivering tradition, security and credibility to its buyers
- The gallery focuses on attending new collectors with limited experience in the art market
- The gallery tries to function as a pioneer in Brazilian art trends, always innovative and presenting new artists and formats
- The gallery differs from others in its good relationship with buyers due to an excellent service and qualified personnel

**Source:** Sector Report 2018
4.11 RAPPORT WITH ARTISTS

Based on the sum total of artists represented by the galleries, 69% are Brazilian artists who live in Brazil, 15% are foreign artists living abroad, 7% are Brazilian artists residing abroad, 6% deceased Brazilian artists, 1% foreign artists living in Brazil, and 1% deceased foreign artists. By calculating the average of each type of artist that the gallery represents, what results is an average of 21 Brazilian artists living in Brazil, 5 foreign artists residing abroad, 2 Brazilian artists living overseas, and 2 are deceased Brazilian artists.

GRAPH 4.11.1
PERCENTAGE OF ARTISTS REPRESENTED BY THE GALLERIES

Source: Sector Report 2018
4.11.1 BRAZILIAN ARTISTS LIVING IN BRAZIL

Out of the total number of Brazilian artists who live in Brazil, the galleries represent:

**GRAPH 4.11.1.1**

NUMBER OF BRAZILIAN ARTISTS LIVING IN BRAZIL PER GALLERY

<table>
<thead>
<tr>
<th>Number of Artists</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 AND MORE ARTISTS</td>
<td>9</td>
</tr>
<tr>
<td>FROM 20 TO 24 ARTISTS</td>
<td>7</td>
</tr>
<tr>
<td>FROM 15 TO 19 ARTISTS</td>
<td>13</td>
</tr>
<tr>
<td>FROM 10 TO 14 ARTISTS</td>
<td>7</td>
</tr>
<tr>
<td>FROM 5 TO 9 ARTISTS</td>
<td>7</td>
</tr>
<tr>
<td>FROM 2 TO 4 ARTISTS</td>
<td>1</td>
</tr>
<tr>
<td>LESS THAN 2 ARTISTS</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Sector Report 2018

An average of 17 of these artists have a formal or informal contract with the gallery, 13 are remunerated as persons, 8 as companies, 2 are new to the market, 2 became represented by the gallery in 2017, 1 is remunerated both as person and company, and left the gallery group in 2017.
Still with regard to Brazilian artists living in Brazil, throughout 2017, 29 galleries renewed their portfolio of artists, while 16 maintained the same nucleus. Also in 2017, a total of 21 galleries became representatives for Brazilian artists residing in Brazil and starting out in their career. In the opposite direction, 26 galleries stopped representing some artists. Of these galleries, 21 stopped their representation of 1-2 artists, proving stability with the artists and, as shown earlier, increased the portfolio of artists represented, both beginners and those already familiar to the market.
4.11.2 BRAZILIAN ARTISTS LIVING ABROAD

Concerning the number of Brazilian artists who live overseas, the following graph describes how this contingent is distributed among the galleries associated to the ABACT:

**GRAPH 4.11.2.1**
NUMBER OF BRAZILIAN ARTISTS RESIDING ABROAD PER GALLERY

Source: Sector Report 2018

Of the Brazilian artists residing abroad and represented by the gallery, an average of 2 have a contract, 2 are remunerated as persons and 1 as company.

The average is the same or 0.5 less for the following profile of the artist: newcomers to the market; those who began to be represented by the gallery in 2017; those who were remunerated both as persons and companies; and those who left the gallery group in 2017. A total of 32 galleries represent Brazilian artists who live abroad. As for formal relations, 7 galleries represent no artists with this profile.
4.11.3 FOREIGN ARTISTS RESIDING IN BRAZIL AND OVERSEAS

Only 10 galleries represent foreign artists who live in Brazil; in 2017, 8 galleries represented 1 artist each, one represented 2, and another represented 3.

An average of 4 of these artists have a formal contract with the gallery, 3 receive their remuneration as persons, 3 as companies and 1 became represented by the gallery in 2017. This average is the same or 0.5 less than the following profiles of the artists: beginners in the market; remunerated both as persons and companies; left the gallery group in 2017.

A total of 7 galleries represent foreign artists who do not live in Brazil. Five represent only 1 artist, one represents 2 and another represents 3. Only one of these galleries only one has a signed contract and is remunerated as a person. The number of artists represented remained the same; only 1 was a newcomer to the market.

4.11.4 DECEASED ARTISTS

Almost half of the galleries responding to the questionnaire represent the estate of deceased artists, as the graph below shows.
4.12 WAYS OF SPONSORING ARTISTS

What one realizes reading the affirmations in respect to higher revenue is that betting on and investing in little-known or newcomer artists wins more points than investments in artists who enjoy more visibility and prestige. All the affirmatives tested point to this phenomenon, that is to say, all the answers dealing with actions and initiatives relating to new talents posted a higher balance than the answers to questions about initiatives that prioritize already celebrated artists (those better known and more prestigious).

Prominent among these higher-balance statements are:

- The gallery always monitors and looks for artists who are still unknown to the public at large (+71)
- The gallery always monitors and keeps a constant relationship with new artists who are beginning to achieve more visibility among cultural institutions (+69)
- The gallery always monitors and looks for artists who are still unknown to collectors (+67),
In any case, it bears emphasizing that despite the opinions concerning the valorization of “enshrined artists” having a lower balance than those pointing to a preference for “new-comers”, the results are also positive (showing at the same time the importance of this profile of artist to the galleries).

**GRAPH 4.12.1**

**WAYS TO SUPPORT ARTISTS**

Source: Sector Report 2018
Among the complementary ways to sponsor the work of artists, gallery-owners give first place to the production of works (providing materials and services), followed by promoting events with collectors and in international markets. Legal advice was mentioned by only one gallery as a priority; publications and relations with the press do not appear as priority issues, as shown in the graph below:

**GRAPH 4.12.2**

PERCENTAGE WAYS TO SUPPORT ARTISTS

In second place, most of the galerists consulted chose promoting their relationships with collectors, while for 11% sponsoring publications appears as a second priority. In short, the most important forms of sponsorship and complementary services offered to the artist were:

**SOURCE**: Sector Report 2018
• Support for production of works (providing materials and services)
• Promoting and fostering relationships with collectors
• Promoting and fostering relationships with international markets
• Sponsoring relationships with institutions

**GRAPH 4.12.3**
PERCENTAGE WAYS TO SUPPORT ARTISTS

- Support to production of works (material and services): 80%
- Promotion and maintaining rapport with collectors: 62%
- Promotion and maintaining rapport with international markets: 42%
- Support institutional relationship: 40%
- Financial support: 33%
- Promoting and maintaining rapport with press: 18%
- Publications: 18%
- Legal assistance: 2%

*Source: Sector Report 2018*
INTERNATIONALIZATION
For the majority of galleries, promoting the work of Brazilian artists overseas is still a goal to be achieved. Only 38% inform that “there exists clear, explicit and institutionalized planning for internationalizing the gallery”. Most of the galleries (62%) answered that there is no specific plan for this to happen.

On average, in the galleries that have a plan to become internationalized, 39.82% of the staff is involved in activities with this end in mind. However, almost half of them (41%) have less than 20% of their employees dedicated to initiatives for this purpose.

**GRAPH 5.1.1**

PERCENTAGE OF GALLERIES AND NUMBER OF EMPLOYEES INVOLVED IN ACTIVITIES RELATED TO INTERNALIZATION

Source: Sector Report 2018
The average participation in sales abroad compared with total revenue is 16.35%. For almost half of the galleries (49%), such sales correspond to at most 20% of the total revenue. For 20% of the galleries, foreign sales had no participation, whereas the income from sales made outside the country amounted to over 40% for 8 galleries, as can be seen in the graph below:

**GRAPH 5.1.2**

**PARTICIPATION IN OVERSEAS SALES IN THE TOTAL REVENUE OF THE GALLERY**

The main activities undertaken by the galleries abroad concern participating in fairs and exhibits in other countries (76%); direct exports to persons (56%); and the artists represented who have a studio overseas (44%).
Expanding the market is mentioned by 87% of the galleries as their main reason to look for international markets. Among the other main motivations for this is listed as: visibility of the gallery (78%); contact with collectors, museums and foreign corporate collections (67%); valorization of Brazilian art in the international market (62%); contact with foreign buyers looking for new business, such as galleries, art advisors or marchands (53%).
Less than a third (29%) of the galleries made sales to foreign institutions in 2017: 80 works by 36 artists, to 30 institutions.

Just over half of the galleries (51%) sponsored the participation of their artists in international events in 2017. More than half these (55%) supported 1-2 exhibits at most and/or 1-2 institutional projects, and 2 galleries banked 20 and 176 events respectively.
A total of 267 exhibits and/or institutional projects were sponsored by the galleries; these mainly took place in the United States (mentioned by 68%); France (mentioned by 32%); and Spain (mentioned by 27%).

**GRAPH 5.1.5**
**SUPPORT FOR INTERNATIONAL EXHIBITS AND PROJECTS**

- **2 EXHIBITS/EVENTS:** 46
- **3 TO 8 EXHIBITS/EVENTS:** 23
- **9 TO 10 EXHIBITS/EVENTS:** 14
- **LESS THAN 2 EXHIBITS/EVENTS:** 9
- **176 EXHIBITS/EVENTS:** 4

*Source: Sector Report 2018*
**CHART 5.1.6**

**COUNTRIES WHERE SUPPORTED INSTITUTIONAL EXHIBITS/PROJECTS TOOK PLACE**

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNITED STATES</td>
<td>68%</td>
</tr>
<tr>
<td>FRANCE</td>
<td>32%</td>
</tr>
<tr>
<td>SPAIN</td>
<td>27%</td>
</tr>
<tr>
<td>ENGLAND</td>
<td>23%</td>
</tr>
<tr>
<td>GERMANY</td>
<td>18%</td>
</tr>
<tr>
<td>COLOMBIA</td>
<td>18%</td>
</tr>
<tr>
<td>MEXICO</td>
<td>14%</td>
</tr>
<tr>
<td>PORTUGAL</td>
<td>14%</td>
</tr>
<tr>
<td>UNITED KINGDOM</td>
<td>14%</td>
</tr>
<tr>
<td>ARGENTINA</td>
<td>9%</td>
</tr>
<tr>
<td>NETHERLANDS</td>
<td>9%</td>
</tr>
<tr>
<td>ITALY</td>
<td>9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAPAN</td>
<td>9%</td>
</tr>
<tr>
<td>RUSSIA</td>
<td>9%</td>
</tr>
<tr>
<td>SWITZERLAND</td>
<td>9%</td>
</tr>
<tr>
<td>BELGIUM</td>
<td>4%</td>
</tr>
<tr>
<td>BRAZIL</td>
<td>4%</td>
</tr>
<tr>
<td>CANADA</td>
<td>4%</td>
</tr>
<tr>
<td>CHILE</td>
<td>4%</td>
</tr>
<tr>
<td>EUROPE (NO SPECIFICATION)</td>
<td>4%</td>
</tr>
<tr>
<td>INDIA</td>
<td>4%</td>
</tr>
<tr>
<td>INDONESIA</td>
<td>4%</td>
</tr>
<tr>
<td>PERU</td>
<td>4%</td>
</tr>
</tbody>
</table>

*Source: Sector Report 2018*
The total of financial resources used by the galleries to support artists in international events in 2017 was specifically distributed as follows: logistics (42%); negotiating loans between collectors and institutions (17%); other financial sponsorship (41%).

As far as internationalization is concerned, the gallery-owners were asked if they agreed or not with 5 different affirmations; the result was a positive grade (total and partial agreement), a neutral grade (neither agreeing nor disagreeing), a negative grade (partial and total disagreement). Note that the affirmations with a higher balance are those to do with market information:

- The gallery gathers information from a variety of sources (research, articles from newspapers and magazines, etc.) that reveal tendencies observed in the international markets (+74).
- The gallery gathers information from a variety of sources (research, articles from newspapers and magazines, etc.) in order to monitor and understand how competitors proceed in markets overseas (+51).
- The gallery periodically assesses the possible impact on its overseas clients of the changes in the socio-cultural, socio-economic, political-legal and technological macro-areas of the domestic and international markets (for example, laws, regulations, rate of exchange, barriers and so on) (+44).

Only one alternative in this survey presented a negative balance: “The gallery measures the clientele’s satisfaction with the foreign markets in a systematic and regular way” (-14). Despite the fact that those involved in the research project declared the importance to them of enjoying access to information on internationalization, that is to say, actions aimed at measuring their clients’ satisfaction with the foreign markets fall short of the goal.
The gallery gathers information from several sources (research and the like) regarding international trends.

The gallery systematically and regularly measures the satisfaction of its clients in foreign markets.

The gallery periodically reviews the work carried out so as to ensure that they understand how the international competitors operate.

The gallery is quick to respond to changes in macro-environments (sociocultural, socioeconomics, institutional and technological) of national and international markets and its foreign clients (such as law, exchange rates, barriers, etc).

The gallery places a lot of importance to post-sales services in foreign markets.

When the gallery detects that its international clients are dissatisfied (or when there products and services changes), it takes corrective measures immediately.

The gallery periodically reviews the work carried out so as to ensure that they are aligned to what international clients want.

The gallery is quick to respond to changes in macro-environments (sociocultural, socioeconomics, institutional and technological) that can affect international business.

The gallery systematically and regularly measures the satisfaction of its clients in foreign markets.

Source: Sector Report 2018
The galleries were asked to identify up to 10 international institutions for which they sold works and the list of institutions is as follows:

### TABLE 5.1.1
INTERNATIONAL INSTITUTIONS THAT BOUGHT FROM BRAZILIAN GALLERIES

<table>
<thead>
<tr>
<th>INSTITUTION</th>
<th>NUMBER OF WORKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARCO FUNDACION</td>
<td>3</td>
</tr>
<tr>
<td>ART JAMEEL</td>
<td>4</td>
</tr>
<tr>
<td>BRASILEA</td>
<td>1</td>
</tr>
<tr>
<td>CENTRE GEORGES POMPIDOU</td>
<td>17</td>
</tr>
<tr>
<td>CIFO - CISNEROS FONTANALS ART FOUNDATION</td>
<td>1</td>
</tr>
<tr>
<td>FRANÇOIS PINAULT</td>
<td>1</td>
</tr>
<tr>
<td>FUNDATION CARTIER</td>
<td>2</td>
</tr>
<tr>
<td>FUNDAZION SANDRETTO</td>
<td>1</td>
</tr>
<tr>
<td>GUGGENHEIM MUSEUM</td>
<td>1</td>
</tr>
<tr>
<td>PRIVATE INSTITUTIONS - NEW YORK</td>
<td>10</td>
</tr>
<tr>
<td>JULIÁN ZUGAZAGOITIA</td>
<td>1</td>
</tr>
<tr>
<td>K11 ART FUNDATION</td>
<td>1</td>
</tr>
<tr>
<td>KADIST ART FUNDATION</td>
<td>1</td>
</tr>
<tr>
<td>M PLUS MUSEUM LIMITED</td>
<td>1</td>
</tr>
<tr>
<td>MIGROS MUSEUM</td>
<td>2</td>
</tr>
<tr>
<td>MOMA NYC</td>
<td>10</td>
</tr>
<tr>
<td>MOMA SAN FRANCISCO</td>
<td>2</td>
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CHAPTER 06 | FINAL REMARKS
In spite of the crisis facing Brazil over the last few years, the data offered by the ABACT associate galleries show a favorable scenario for these companies. Some points deserve special attention:

1. In 2017, the number of permanent collaborators and employees grew or remained unchanged in 86% of the galleries surveyed.

2. In respect to the year of 2017, the volume of business increased in practically half of the galleries (49%). The volume of sales was maintained for 16%, while 36% posted a reduction.

3. In 2017, 63% of the galleries registered a profit in the national fairs which they attended, and 41% had profit in internacional fairs they attended.

4. Based on these results, one can attest that the management of the galleries relies on fundamental attitudes that denote professionalism. The study indicates how much value is lent to communications, marketing and recognition of the importance of the institutional strengthening of the gallery name:

   • 64% of the galleries declare that they “follow a communications policy that is clear, explicit and institutionalized”.

   • In the test on agreement with affirmations, positive answers to the following options: We use marketing and communications techniques to promote the artists (+66); We use marketing and communications techniques to promote sales (+60); We use marketing and communications techniques to promote the image of the gallery (+59).

5. Also referring to management, the internal communication is something valued (93% of the galleries agree totally or in part with the affirmation of “internal communication is very important for a gallery”), only 27% affirm that “The gallery has a regular format and a training / development policy for its employees”. Online channel can be better explored by the galleries. Only 8% of sales are made by galleries sites.

In conclusion, Brazilian Art Market is a mature and growing market either nationally or internationally.
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